

## Message Text

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ACTION EA-14

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E.O. 11652: N/A

TAGS: RP, EGEN

SUBJECT: AGRARIAN REFORM

SUMMARY. AT ELABORATELY STAGED RALLY OCTOBER 22 CELEBRATING FIRST ANNIVERSARY OF MARTIAL LAW LAND REFORM PROGRAM, PRESIDENT REAFFIRMED THAT LAND REFORM WAS CORNERSTONE OF NEW SOCIETY. HE LOWERED LAND REFORM DISTRIBUTION TARGET FROM 50 TO 24 HECTARES OF RICE AND CORN LAND AND ALSO ANNOUNCED SUPPORTING DECREES. ALTHOUGH PRESIDENT DID NOT SPELL OUT SPECIFIC TIME FRAME FOR THIS STEP TO BE ACHIEVED, HE COMMITTED HIMSELF TO COMPLETING ENTIRE PROGRAM, INCLUDING END OF ALL RICE/CORN TENANCY, IN FOUR YEARS. TEN PER CENT (180,000 HECTARES) OF TARGET ALREADY DISTRIBUTED; TEN PER CENT REMAIN TO BE DISTRIBUTED IN THE ABOVE 50 HECTARES CATEGORY AND ANOTHER 10 PER CENT MARKED FOR DISTRIBUTION BY PRESIDENT'S NEW DECREE. ISSUANCE OF LAND CERTIFICATES HAS INCREASED IN LAST QUARTER BUT POOR PERFORMANCE IN COMPENSATION AREA SO FAR SUGGESTS THAT MAJOR PROBLEMS IN LAND REFORM PROGRAM REMAIN TO BE WORKED OUT. END SUMMARY

1. ON OCTOBER 22, DAY FOLLOWING ANNIVERSARY PROCLAMATION P.D. 27, PRESIDENT MARCOS REAFFIRMED THAT CORNERSTONE OF NEW SOCIETY WAS LAND REFORM AND SET FOUR YEAR LIMIT FOR LIMITED OFFICIAL USE

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ACHIEVEMENT OF PROGRAM. AS NEXT STEP, HE DIRECTED DEPART-

MENT OF AGRARIAN REFORM AND DEPARTMENT OF AGRICULTURE'S BUREAU OF LANDS TO DISTRIBUTE RICE/CORN TENANTED LAND ON ESTATES ABOVE 24 HECTARES. OTHER ANNOUNCEMENTS INCLUDED DECREES OR INSTRUCTIONS (1) PROHIBITING TENANT EJECTION FROM ANY LAND (THIS REITERATES AND REINFORCES EARLIER PRESIDENTIAL ORDER ON THIS SUBJECT); (2) MAKING LAND TRANSFER CERTIFICATES COLLATERAL FOR LOANS; (3) EXPEDITING CLASSIFICATION OF PUBLIC LANDS FOR SETTLEMENT; AND (4) PROVIDING A GUARANTEE INSURANCE PLAN FOR ALL SAMAHANG NAYON (BARRIO COOPS). CEREMONIES WHICH WERE HELD AT CAMP AGUINALDO BEFORE SEVERAL THOUSAND FARMERS WHO HAD RECEIVED CERTIFICATES AND WITNESSED BY OFFICER CORPS OF THE ARMED FORCES AND DIPLOMATIC CORPS TOOK FORM OF RELIGIOUS SERVICE AND THANKSGIVING PARADE. PRESIDENT USED OCCASION TO REASSERT HIS INTENTION TO EMANCIPATE ALL TILLERS AND TO PERSUADE SMALLHOLDERS THAT PAYMENT OPTIONS UNDER REORGANIZED LAND BANK WERE MORE ADVANTAGEOUS THAN HOLDING LAND.

2. ESTATES BETWEEN 50 AND 24 HECTARES ESTIMATED INCLUDE SOME 180,000 HECTARES. IN ADDITION THERE REMAIN APPROXIMATELY 180 THOUSAND HECTARES IN ABOVE 50 HECTARE CATEGORY YET TO BE DISTRIBUTED. TOTAL LANDS THEREFORE CURRENTLY AUTHORIZED FOR DISTRIBUTION EQUAL ROUGHLY 540,000 HECTARES (180 THOUSAND ABOVE 50 HECTARES ALREADY DISTRIBUTED, 180 THOUSAND UNDISTRICTED AND 180 THOUSAND BETWEEN 50-24 HECTARES BROUGHT INTO PROGRAM OCTOBER 22).

3. WITH DECISION TO GO DOWN TO 24 HECTARES, SOME THIRTY TO THIRTY FIVE PERCENT OF TENANTED RICE/CORN LAND WILL HAVE BEEN BROUGHT UNDER PROGRAM COVERAGE. LAND REFORM PROGRESS DURING FIRST YEAR OF PROGRAM COMPARES FAVORABLY WITH THE FIRST YEAR PROGRAMS IN TAIWAN AND VIETNAM. IN LAST QUARTER, PACE OF ISSUING CERTIFICATES HAS ACCELERATED DRAMATICALLY, POSSIBLY FORESHADOWING AN ACCELERATED PACE IN SECOND YEAR OF PROGRAM. WHILE PRESIDENT INDICATED ULTIMATE GOAL OF TOTAL EMANCIPATION WOULD BE CARRIED OUT, HE SAID THIS WOULD HAVE TO BE ACHIEVED WITH EQUITABLE TREATMENT OF 320,000 SMALL LANDOWNERS. PRESIDENTIAL DEFINITION OF SMALL LANDOWNER IS UNKNOWN BUT IT CLEARLY COVERS THOSE HOLDING SEVEN OR LESS HECTARES AND MAY INCLUDE THOSE WITH MORE. THUS THERE MAY BE YET ANOTHER STEP LIMITED OFFICIAL USE

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(TWELVE HECTARES?) BEFORE REACHING SEVEN HECTARE RETENTION LIMIT.

4. PRESIDENT REFERRED TO LAND BANK REORGANIZATION AND ANNOUNCED THAT CAPITALIZATION OF THIS INSTITUTION WOULD BE RAISED TO P3 BILLION (FROM P2 BILLION). IN ANOTHER WEEKEND DEVELOPMENT, THE PRESIDENT APPOINTED CENTRAL BANK CAREER MAN BASILIO ESTANISLAO NEW CHAIRMAN OF REORGANIZED LAND BANK.

SEPARATE AIRGRAM WILL DISCUSS LAND BANK DEVELOPMENTS.

5. CONSPICUOUSLY ABSENT WAS ANNOUNCEMENT ON IMPLEMENTING RULES AND REGULATIONS FOR THE PROGRAM. PRESIDENT HAS THUS OPTED INSTEAD TO ISSUE DECREES DEALING WITH THE VARIOUS UNRESOLVED ISSUES AS NECESSARY RATHER THAN PRODUCING A COMPREHENSIVE PROGRAM GUIDE. IN KEY AREA OF COMPENSATION, DECREE ISSUED WHICH REPEATS COMPENSATION OPTIONS CONTAINED JULY 21 DECREE (SEE MANILA 8411) BUT APPARENTLY GOES NO FURTHER WITH IMPLEMENTATION PROCEDURE. SLOWNESS OF IMPLEMENTATION OF COMPENSATION SCHEMES REMAINS A MAJOR PROBLEM WHICH MUST BE RESOLVED BEFORE COOPERATION OF LANDLORDS CAN BE ASSURED. PRESIDENT'S GENERALIZED APPROACH, OF COURSE, LEAVES IN ABEYANCE NUMBER OF SPECIFICS, INCLUDING THOSE FOR DEALING WITH SMALL LANDLORDS.

6. DECREES AND REGULATIONS PROMULGATED OCTOBER 22, SOME OF WHICH APPARENTLY ARE NOT YET WORKED OUT IN DETAIL, WILL BE FORWARDED, WHEN OBTAINED, TOGETHER WITH ANALYSIS OF LAND REFORM PROSPECTS IN LIGHT OF PRESIDENT'S ANNOUNCEMENT.  
SULLIVAN

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